

## EUROPEAN PARLIAMENT

# Working Documents

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## Report

drawn up on behalf of the Committee on Regional Policy, Regional Planning and  
Transport

on the proposal from the Commission of the European Communities to the  
Council (Doc. 392/78) for a regulation on the adjustment of capacity for the  
carriage of goods by road for hire or reward between Member States

Rapporteur: Mr W. ALBERS

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By letter of 18 October 1978 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 75 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation on the adjustment of capacity for the carriage of goods by road for hire or reward between Member States.

The President of the European Parliament referred this proposal to the Committee on Regional Policy, Regional Planning and Transport.

On 26 October 1978 the committee appointed Mr Albers rapporteur.

It considered this proposal at its meetings of 20 December 1978 and 30 January 1979 and at the latter meeting unanimously adopted the motion for a resolution and the explanatory statement.

Present: Lord Bruce of Donington, chairman; Mr Albers, rapporteur; Mr Damseaux, Mr Fitch, Mr Fuchs, Mr Hoffmann, Mr Hughes, Mr Ibrügger, Mr Ligios, Mr Pistillo, Mr Schyns, Mr Starke, Mr Tolman and Mr Vandewiele (deputizing for Mr Brugger).

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A

The Committee on Regional Policy, Regional Planning and Transport hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation on the adjustment of capacity for the carriage of goods by road for hire or reward between Member States

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 75 of the EEC Treaty (Doc. 392/78),
  - having regard to the report of the Committee on Regional Policy, Regional Planning and Transport (Doc.604/78),
1. Notes with regret that the Council has systematically resisted efforts to introduce a common policy on capacity for the carriage of goods by road between the Member States on the basis of a Community system of authorizations and the abolition of bilateral transport authorizations;
  2. Notes, moreover, that ten years after the introduction of the Community quota, only a very small percentage of road transport operations crossing internal Community frontiers are covered by Community authorizations;
  3. Records, in this connection, its dissatisfaction at the fact that, when fixing the Community quota for 1979<sup>2</sup>, the Council has again totally ignored its opinion on the matter<sup>3</sup> and, instead of doubling the number of Community authorizations, has seen fit to restrict itself to a token increase of 10%;

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<sup>1</sup> OJ No. C247, 18.10.1978, p.6

<sup>2</sup> OJ No. L366, 28.12.1978, p.5

<sup>3</sup> OJ No. C261, 6.11.1978, p.53

4. Considers, therefore, that, with a view to regulating capacity effectively in this sector, alternative solutions must be devised and, consequently, welcomes the proposal submitted by the Commission of the European Communities to this end;
5. Considers that, in a transitional period, the fixing of common standards for the issue of bilateral transport authorizations is a step in the right direction since this will make it possible for supply to be adjusted to demand;
6. Nevertheless feels that, in addition to the adjustment of supply to demand, the observance of Community social rules and safety requirements must be regarded as a norm;
7. Welcomes the fact that an arbitration procedure is to be established to settle disputes between the Member States;
8. Regrets nevertheless that arbitration will not be the responsibility of the Commission alone;
9. Approves the proposal for complete liberalization of transit and the opening of negotiations with third countries;
10. Considers that, in negotiations with third countries, the technical and social rules must be accorded considerable importance;
11. Approves the Commission's proposal;
12. Asks the Commission, however, to incorporate the following amendments in its proposal, pursuant to the second paragraph of Article 149 of the EEC Treaty.

Proposal for a Council Regulation on the adjustment of capacity for the carriage of goods by road for hire or reward between Member States

Preamble, recitals and Article 1 unchanged

Article 2

1. Where bilateral quotas already exist for particular routes they shall, by 30 September of each year, be adjusted, by negotiation between the Member States concerned, to match transport requirements, in particular as regards road transport between those Member States. The quotas may be varied by category of transport.

2. For purposes of determining the transport requirements referred to in paragraph 1, account shall be taken, among other things, of the information obtained from the market monitoring system established by the Commission at Community level and, more especially, of the following information:

- the trends observed in the demand for transport and the estimates of its behaviour in the short term;
- the situation of the transport market concerned, especially as regards the use of existing transport capacity and the level of transport rates actually charged, as against the published tariffs;
- the impact of the transport operations carried out between Member States under Community authorizations, or which, pursuant to measures decided upon at Community level, are not subject to any system of authorization

Article 2

1. Unchanged

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\* For full text see OJ No. C247, 18.10.1978, p.6

and/or quotas, or which are  
carried out under an authorization  
issued within the ECMT multilateral  
quota.

- the observance of Community  
social provisions and safety  
requirements.

Article 2(3) unchanged  
Articles 3 to 7 unchanged



EXPLANATORY STATEMENTI. INTRODUCTION

1. Ten years after the adoption by the Council of Regulation No. 1018/68 establishing a Community quota for the carriage of goods by road<sup>1</sup> it has become obvious that, unfortunately, it will not be possible to achieve the objectives for which that regulation was introduced. Further evidence of this circumstance was furnished at the last meeting of the Council of Transport Ministers of 23 November 1978.

2. The depressing way in which the Community authorization system has developed has clearly prompted the Commission to seek alternative methods of regulating satisfactorily at Community level the problem of capacity for the carriage of goods by road.

Your rapporteur therefore considers it would be desirable to begin with a brief outline of the current situation in this transport sector and developments in the Community quota system before turning to the Commission's proposal itself.

II. OBSERVATIONS ON THE CURRENT SITUATION IN INTRA-COMMUNITY CARRIAGE OF GOODS BY ROAD AND THE COMMUNITY QUOTA

3. The current situation is still extremely confusing and highly unsatisfactory in Community terms. As the Commission states in the explanatory memorandum to its proposal, the situation 'ranges from the absence of any quantitative restriction to a very strict quota system for transport authorizations'. (Doc. 392/78, p. 2, para. 4).

The ideas which a given Member State holds about transport policy determines whether it issues transport undertakings in another Member State with a large or not so large number of authorizations each year. The numbers are fixed by bilateral agreements.

4. In order to put an end to this system, which is of course at variance with the spirit and letter of the common transport policy - in particular Article 75 of the EEC Treaty - the Commission of the European Communities proposed a Community solution no less than 15 years ago. This consisted in establishing a Community road haulage authorizations system and the phasing out of bilateral authorizations.

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<sup>1</sup> OJ No.L 175, 23 July 1968, p.13

5. The European Parliament has from the start been consistently and unequivocally in favour of such a Community policy on capacity for the carriage of goods by road between the Member States.

A satisfactory system of capacity management can in the opinion of your committee be best achieved by gradually increasing the number of Community authorizations and gradually reducing the number of bilateral authorizations until the latter have been totally phased out and the number of Community transport authorizations can be adjusted to demand trends.

6. This approach is known to have been fiercely resisted in the Council. Not only did the Transport Ministers never manage to reach a decision on the reduction of the bilateral authorizations, but they also maintained the number of Community authorizations at a ridiculously low level. The Community quota now covers scarcely 4% of intra-Community carriage of goods by road.

7. More detailed information can be found in the report by this rapporteur on the increase in the Community quota for 1979 (Doc. 321/78) which was adopted at the plenary sitting of 13 October 1978 and which describes in detail the discouraging developments of the Community road haulage authorizations system (paragraphs 3 to 9 of the explanatory statement).

Here it will suffice to mention that at their last meeting the Transport Ministers were able to accept neither Parliament's proposal that the Community quota should be doubled nor the Council's proposal for an increase of 20%. On 23 November 1978 the Council did agree, however, to a token increase in the Community quota of 10%<sup>1</sup>.

8. It goes without saying that at this rate there is no possibility of making significant progress and that consideration must be given to alternative methods of regulating capacity in intra-Community carriage of goods by road.

This is the conclusion that has prompted the new proposal for a regulation, which will now be considered in more detail.

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<sup>1</sup> The 3,122 Community road transport licences for 1979 are allocated between the Member States as follows: Belgium 348, Denmark 229, Germany 567, France 533, Ireland 65, Italy 432, Luxembourg 91, Netherlands 502, and United Kingdom 355.

### III. COMMENTS ON THE PROPOSAL FOR A REGULATION

9. In the Commission's current proposal it is envisaged that the issue of bilateral transport authorizations should be placed within a Community framework during a transitional period, with due consideration being given to the growth of intra-Community trade.

10. The proposal for a regulation contains four specific proposals:

- (i) bilateral quotas to be based on Community standards;
- (ii) a Community arbitration procedure to be introduced to resolve difficulties that may arise in the bilateral negotiations;
- (iii) all obstacles to transit to be abolished;
- (iv) negotiations to be opened with a view to concluding agreements with third countries.

Before commenting on these four proposals and assessing their practicability, your rapporteur wishes to point out that the arrangements proposed would not replace the Community authorizations system. Community authorizations, as indeed the multilateral authorizations issued on the authority of the European Conference of Transport Ministers (ECTM) will remain valid and will be taken into account when the annual quota of bilateral authorizations is fixed.

#### - fixing of bilateral quotas on the basis of Community standards

11. Article 2 of the proposal for a regulation stipulates that the number of bilateral quotas for a given year is to be fixed by 30 September of the preceding year. This is to be based on actual demand for transport, as determined by market monitoring systems. Account is to be taken here of such criteria as trends observed in the demand for transport, the actual use of existing capacity, the level of transport rates actually charged, transport covered by Community and ECMT authorizations and transport operations not subject to any system of authorization and/or quotas.

Article 2(3) stipulates that no change is to be made in respect of routes for which no bilateral quotas exist. In certain cases, however, temporary restrictions can be introduced provided that the Member States concerned agree and the Commission gives its approval.

12. Your rapporteur feels that this proposal will provide a useful starting-point for an effective policy on transport capacity in international road transport for hire or reward. The fixing of Community standards for the issue of bilateral authorizations will mean that transport undertakings are no longer prevented from operating on certain routes purely because of national concepts of transport policy.

As well as eliminating discrimination based on nationality, this approach has the advantage that the annual number of authorizations will be adjusted to correspond to real demand so that both over-capacity and under-capacity can be avoided.

For these reasons your rapporteur considers that the Committee on Regional Policy, Regional Planning and Transport should approve the proposal. He would nevertheless ask the Commission to examine how the system might be further extended and perfected in the future. Consideration ought also to be given to the introduction of basic social standards at this time. This is the purpose of the addendum to Article 2(2).

- the establishment of an arbitration procedure

13. Article 4 of the proposal for a regulation stipulates that the Commission is to participate in the negotiations on the bilateral quotas in an advisory capacity with the right to make proposals. If agreement cannot be reached before 30 September, the Commission is authorized, though only after consulting the Member States, to take a decision.

The decision is to become enforceable one month after the date of its publication in the Official Journal.

14. The second paragraph of Article 4(2) stipulates that if, before enforcement of the Commission's decision, a Member State places the matter before the Council, the Council is to take a decision by qualified majority within the following three months.

15. Your rapporteur welcomes the introduction of an arbitration procedure because it can help to ensure that Community decisions do in practice materialize. The procedure suggested in Article 4(2), second paragraph, is, however, hardly satisfactory, since experience has shown that the Council very rarely departs from the unanimity rule and, consequently, in the absence of a decision within the prescribed time-limit, the authorizations system would be temporarily blocked. This arrangement also entails the risk that, under the unanimity rule, the bilateral quotas might be voted down, one or other of the Member States thus being afforded the opportunity to impose its own ideas on the Community.

- liberalisation

16. Article 3 of the proposal states explicitly that transit over the territory of the Member States is not to be subject to any quantitative restriction.

This requires no special comment and is approved without qualification by the committee.

- negotiations with third countries

17. In Article 6 the Commission proposes that it should be given a mandate by the Council to open negotiations with third countries to conclude an agreement regulating the carriage of goods by road between the Community and such countries.

This does not call for any special comment either. Your committee has always advocated the conclusion of agreements with third countries, especially Austria and Switzerland. In this connection it is important that, during such negotiations with third countries, the technical and social rules are included in the conditions.

18. Article 5 provides for special authorizations to be issued. This can only be done, however, in emergencies. These authorizations are, moreover, to be subject to various restrictions, concerning their number and period of validity and the categories of goods and routes.

Such authorizations are desirable as a means of coping with any sudden and unforeseen difficulties on the road transport market.

IV. CONCLUSIONS

19. This proposal for a regulation, which seeks to place the system of bilateral quotas within a Community framework during a transitional period, can be approved by the Committee on Regional Policy, Regional Planning and Transport as a step in the direction of an integrated common transport market, although the committee has serious reservations about the role of the Council in the proposed arbitration procedure.

20. The introduction of common criteria for determining the annual bilateral quotas must not, however, lead to an extension of the Community quota being blocked.

